



SUBLEASE

This Sublease entered into as of the 15<sup>th</sup> day of March, 1979 by and between PACCAR Inc (operating through its Kenworth Truck Company division) hereinafter referred to as "Sublessor" and Atlas Building Wreckers of Portland, Oregon, hereinafter referred to as "Sublessee" as a Sublease under a Lease dated March 25, 1977 and modified on June 1, 1977 by the Desimone Trustees as Lessor and Sublessor under this lease as Lessee (hereinafter "Primary Lease"). A copy of said lease is attached hereto marked Exhibit "A" incorporated herein by reference.

WITNESSETH:

1. PREMISES: Sublessor hereby subleases to Sublessee, and Sublessee hereby leases from Sublessor, the following described property located in King County, State of Washington:

That portion of Government Lot 11, Section 4, Township 23 North, Range 5 East, W.M., in King County, Washington, being more particularly described as follows:  
Commencing at the Southwest corner of said Government Lot 11; thence South 89°18'52" East along the South line of said Government Lot 11 a distance of 985.43 feet; thence North 14°42'37" West a distance of 477.12 feet to an intersection of the North line of the South 460.00 feet of said Government Lot 11 with the Northeasterly Right-of-Way Line of Primary State Highway No. 1, as established by King County Superior Court Cause No. 529021, said point of intersection being the TRUE POINT OF BEGINNING; thence continuing North 14°42'37" West along said Northeasterly Right-of-Way Margin a distance of 692183 feet to the Southwesterly Right-of-Way Margin of City of Seattle's Transmission Line as established by Ordinance No. 82986, of the City of Seattle; thence South 89°18'52" East parallel to the South line of said Government Lot 11 a distance 1252.0 feet, more or less, to the Northwesterly bank of the Duwamish River; thence Southwesterly along said Northwesterly bank a distance of 1093.0 feet, more or less, to the North line of the South 460 feet of said Government Lot 11; thence North 89°18'52" West along said North Line of the South 460.00 feet of Government Lot 11 a distance of 209.0 feet, more or less, to the TRUE POINT OF BEGINNING.  
EXCEPT the strip of land for Seattle Transmission Line as established by Ordinance No. 82986, of the City of Seattle.  
Situate in the County of King, State of Washington.  
Containing an area of 464,660 square feet or 10.67 acres, more or less, less that area contained within the strip of land for Seattle Transmission Line as established by Ordinance No. 82986, of the City of Seattle.

together with any appurtenances now or hereafter thereon, hereinafter called "Premises" subject, however, to mortgages, liens, encumbrances, and any other restriction of record, and ordinances and regulations now and hereafter lawfully imposed by any government or agency thereof.

2. TERM: The term of this Sublease shall commence on the 1st day of March, 1979 and terminate two years later on the 28th day of February, 1981, subject to the other provisions hereof and the option to renew as contained in paragraph twenty-one (21).

3. RENTAL: Sublessee covenants and agrees to pay to Sublessor rental for said Premises during the term hereof the sum of \$12,000 per annum, payable in the amount of \$1,000 per month on or before the first day of each and every calendar month during the term hereof. The first month's rental to be paid at the time of the execution of this Sublease. Each monthly rental payment shall be made by sending a check payable to Kenworth Truck Company to:

Kenworth Truck Company  
P. O. Box 80222  
Seattle, Washington 98108

DFT 002491

4. DEPOSIT: Sublessee shall pay a deposit of the last month's rent at the time of the execution of the Sublease, said deposit being security for Sublessee's faithful performance of Sublessee's obligations hereunder. If Sublessee fails to pay rent or other charges due hereunder, or otherwise defaults with respect to any provision of this Sublease, Sublessor may use, apply or retain all or any portion of said deposit for the payment of any rent or other charge in default or payment of any other sum to which Sublessor may become obligated by reason of Sublessee's default or to compensate Sublessor for any loss or damage which Sublessor may suffer thereby. If Sublessor so uses or applies all or any portion of said deposit, Sublessee shall within ten (10) days after written demand therefore deposit cash with Sublessor in the amount sufficient to restore said deposit to the full amount hereinabove stated and Sublessee's failure to do so shall be a breach of this Sublease and the Sublessor may, at his option, terminate the Sublease. Sublessor shall not be required to keep said deposit separate from its general accounts. If Sublessee performs all of Sublessee's obligations hereunder said deposit or so much thereof as had not theretofore been applied by Sublessor shall be returned without payment of interest for its use, to Sublessee within ten (10) days after the expiration of the term hereof or after Sublessee has vacated the Premises, whichever is later.

5. USE OF PREMISES: The Premises are to be used for the primary purpose of storing used building material such as bricks, lumber, etc. and renovating such material for sale. Sublessee shall comply with all laws, rules, ordinances and regulations of any government agency having jurisdiction of the Premises affecting said Premises or the use thereof. Sublessee agrees to obtain all permits which may be lawfully required by any governmental agency and to perform any work which may be lawfully required by any governmental agency as a condition to carrying out these purposes, all sole cost of the Sublessee, and to hold the Sublessor and its agents harmless from all liabilities, costs, expenses of any kind and nature whatsoever, including attorneys fees, that may be claimed or accrued by any failure by Sublessee to comply with any lawful government regulations or to obtain any governmental permits lawfully required to be obtained in connection with the ownership or use of the Premises. Sublessor has made no representations as to the conditions of the Premises

on the date of the commencement of the term hereof. Sublessee shall do nothing inconsistent with the terms of the Primary Lease which would cause Sublessor to be in default of the Primary Lease as lessee.

6. IMPROVEMENTS: Sublessee shall not make any improvements on Premises without obtaining the prior approval of Sublessor. All such additional improvements as are made shall not be removed without the prior written consent of Sublessor and at the expiration or earlier termination of this Sublease, all such additional improvements shall become the property of the Sublessor and shall remain in and be surrendered with the Premises as a part thereof, except that if Sublessor so notifies Sublessee in writing prior to ninety (90) days after the termination of this Sublease the Sublessee at its expense shall remove said additional improvements within sixty (60) days after receipt of such notice.

7. ACCEPTANCE AND CARE OF PREMISES: Sublessee acknowledges that it has thoroughly examined the Premises, and that it accepts the same in the present condition and waives all claims of any nature that may arise therefrom.

8. SURRENDER OF PREMISES: Sublessee agrees that at the expiration or earlier termination of this Sublease, it will quit and surrender the Premises without notice and will deliver the Premises to the Sublessor free and clear of all liens and encumbrances of any kind and nature. Any personal property upon the Premises at the expiration or earlier termination of this Sublease may be removed by the Sublessor and the Sublessor and place the same in storage at the public warehouse at the expense and risk of the owners thereof, but the Sublessor shall have no obligation to do so, or at the option of the Sublessor such property may be deemed abandoned by the Sublessee. Notwithstanding the foregoing, the expiration or earlier termination of this Sublease, Sublessee shall remove at its expense all personal properties then on the Premises.

9. NO LIENS OR ENCUMBRANCES: Sublessee agrees not to permit any lien or encumbrance or for any purpose whatsoever to remain against the Premises. Sublessee agrees to hold harmless and shall indemnify the Sublessor and the Sublessor's agents from all liabilities, costs and expenses of every kind and nature whatsoever including attorneys fees, that may be claimed or accrued in connection with any claims, liens or encumbrances which may exist during the term hereof.

10. SOLVENCY: In the event that Sublessee becomes insolvent, voluntarily or involuntarily bankrupt, or if a receiver, assignee or other liquidating officer is appointed for the business of the Sublessee, and such receiver, assignee or other liquidating officer is not discharged within thirty (30) days from the date of his appointment, then the Sublessor may immediately terminate this Sublease at its option.

11. HOLD HARMLESS CLAUSE AND LIABILITY INSURANCE:

The Sublessee shall hold harmless and indemnify the Sublessor and the Sublessor's agents from all liabilities, costs and expenses of every kind and nature whatsoever that may be claimed or accrued by reason of any accident or injury in or about the subleased Premises or as the result of the condition, maintenance or operation of the Premises and areas adjacent thereto, or caused by the acts or neglects of the Sublessee or any person whomsoever in or about the Premises, except that the Sublessee shall not be liable for actions or injuries occurring as the result of the negligence of the Sublessor or its agents. It is agreed that neither the Sublessor nor the Sublessor's agents shall be liable for the death or injury to any person in or about the Premises, for the loss of or damage to any property in or about the Premises, and the Sublessor shall not be liable to the Sublessee or to any person or claims arising from any defect, whether known or unknown, in the construction or present condition of the Premises, the sole exception being death or injury as a result of the negligence of the Sublessor or its agents. Sublessee agrees to keep in force bodily injury liability insurance with minimum limits of \$250,000/\$500,000, and such insurance to be in a company or companies authorized to issue such insurance in the State of Washington and to be for Sublessor's benefit as its interests may appear. Sublessee agrees to pay all premiums for such insurance and to deliver to Sublessor evidence of the fact that such insurance is in force and will not be cancelled without at least thirty (30) days prior written notice by said insurance company or companies to Sublessor.

12. SURRENDER PREMISES: At the termination of this Sublease, Sublessee shall return Premises to its original condition. Sublessee shall obtain a bond in the amount of \$50,000 assuring that the property is returned to its original condition. Sublessee shall not bury any materials on the Premises.

13. Sublessor does not warrant that the use of the land, ingress/egress to the land or movement through the existing ease-

ments are obtainable by Sublessee from the controlling persons, companies, or governmental agencies.

14. Sublessee shall in the use of the Premises not allow any noise above 65 dba to cross the boundaries of the Premises when noise testing is being conducted by Sublessor.

15. DEFAULT: If at any time during the term of the Sublease the Sublessee shall fail to pay the rentals provided for herein or if the Sublessee shall fail to comply with any of the terms and conditions of this Sublease, the Sublessor may give written notice to the Sublessee to pay such rentals or otherwise comply with the terms and provisions of this Sublease, as the case may be. If such default is not cured within ten (10) days as to a default in the payment of rent within ninety (90) days after such notice, the Sublessor shall have, in addition to such remedies as may be afforded by the laws of the State of Washington, the power and right to declare this Sublease terminated and re-enter the Premises, but notwithstanding such remedies or termination and re-entry by the Sublessor all liabilities and obligations of the Sublessee hereunder shall continue, and in discharge of such liabilities and obligations, the Sublessee covenants and agrees to make good to the Sublessor any deficiency from the re-entry and re-letting of the Premises at a lesser rental or on other less favorable terms than herein provided, and to pay such deficiency each month as the amount thereof is ascertained by the Sublessor.

16. ATTORNEYS FEES: If, by reason of any default on the part of the Sublessee in the performance of any of the terms or provisions of this Sublease, it becomes reasonable for the Sublessor to employ an attorney, the Sublessee agrees to pay all costs, expenses and attorneys fees reasonably expended and incurred by the Sublessor in connection therewith.

17. In the event of the termination of the Sublessor's interest as Lessee under the Primary Lease for any reason, then this Sublease shall terminate coincidently therewith without any liability of Sublessor to Sublessee.

18. NON-WAIVER: The failure of the Sublessor to insist upon strict performance of any of the terms and provisions of this Sublease shall not be construed as a waiver or relinquishment of any such terms or conditions, or of any other term or condition, but the same shall be and remain in full force and effect. Receipt of rent, with or without knowledge or any breach of this Sublease,

shall not be deemed to be a waiver as to any breach of any term or provision contained herein, and the receipt of rent after any breach of this Sublease shall be construed to be a payment for the use and occupancy of the premises and no waiver shall be claimed as to any term or provision of this Sublease unless the same be in writing signed by the Sublessor.

19. REMAINING IN POSSESSION: If the Sublessee remains in possession of the Premises after the expiration or sooner termination of this Sublease, the Sublessee shall be deemed to be occupying the Premises as a tenant from month to month, subject to all the provisions of this Sublease so far as they are applicable to a tenancy from month to month.

20. ASSIGNMENT OR SUBLETTING: Sublessee agrees that it will not assign this Sublease nor any part thereof nor let or sublet the whole or any part of said Premises without the prior consent of Sublessor. In the event of an assignment, the Sublessee shall continue to be liable hereunder.

21. OPTION TO RENEW: Upon Sublessee giving Sublessor written notice ninety (90) days prior to the expiration date of this Sublease, Sublessee may elect to renew the Sublease for a period of five (5) years on the same terms and conditions and rental of the original Sublease.

22. BINDING EFFECTS: The covenants of this Sublease shall be binding upon and inure to the benefit of the Sublessor and the Sublessee and their heirs, executors, administrators, successors and assigns.

PACCAR INC, Sublessor

ATLAS BUILDING WRECKERS, Sublessee

By \_\_\_\_\_

By Walter Lowe

Title \_\_\_\_\_

Title Genl Mgr  
Part Owner

STATE OF WASHINGTON )  
COUNTY OF KING ) ss.

On this 28<sup>th</sup> day of February, 1979, before me, the undersigned Notary Public in and for the State of Washington, personally appeared Walter Lowe, to me known to be the General Manager of Atlas Building Wrecking that executed the foregoing instrument, and on oath stated he is authorized to

execute this instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.

Letty J. Pickney  
Notary Public in and for the State of  
Washington residing at Seattle

CONSENT OF LESSOR: The undersigned Lessor under the Lease in Exhibit "A" hereby consents to the subletting of the Premises described herein on the terms and conditions contained in this Sublease. The consent shall only apply to this Sublease and shall not be deemed to be a consent to any other Sublease.

Assunta Desimone

Harold S. Shefelman, Trustee

Rainier National Bank, Trustee

Mondo Desimone, Trustee

By \_\_\_\_\_

Rose Desimone, Trustee

By \_\_\_\_\_

Katherine M. Desimone, Individu-  
ally and as Executrix of the Estate  
of Richard Louis Desimone, Deceased